

Message Text

LIMITED OFFICIAL USE

PAGE 01 BANGKO 04737 221240Z

51

ACTION EA-14

INFO OCT-01 ISO-00 AID-20 AGR-20 OMB-01 EB-11 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 DRC-01 /142 W

----- 054027

R 221025Z MAR 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 1730

INFO AMEMBASSY VIENTIANE

AMEMBASSY PHNOM PENH

AMEMBASSY SAIGON

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

AMEMBASSY RANGOON

LIMITED OFFICIAL USE BANGKOK 4737

E.O. 11652: NA

TAGS: EAGR, ECON, TH

SUBJECT: RICE PROBLEM EASES

REF: BANGKOK 4397 AND PREVIOUS

1. RICE PROBLEM REPORTED IN REFTELS HAS SIGNIFICANTLY
DIMINISHED IN BANGKOK-THONBURI OVER PAST WEEK. PRESS HAS
CEASED REPORTING ON MATTER AND SPOT CHECKS BY EMBOFF
REVEAL THAT RTG FIXED-PRICE RICE IS AVAILABLE WITHOUT QUEU-
ING IN METROPOLITAN AREA.

2. WOULD APPEAR THAT PRIMARY CAUSE FOR SO-CALLED "RICE
SHORTAGE" WAS EXCESSIVE DEMAND PLACED ON GOVERNMENT RICE
OUTLETS, SELLING RICE AT 40 BAHT PER 15 KILOGRAMS, WHEN
RETAIL PRICES IN COMMERCIAL RICE STORES WENT UP TO
75-85 BAHT PER 15 KILOS ON HEELS OF INCREASE IN PADDY
PRICES THAT TOOK PLACE IMMEDIATELY AFTER FARMER DEMON-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BANGKO 04737 221240Z

STRATION BANGKOK FOR HIGHER FARM GATE PRICES. PADDY

PRICES NOW RANGE FROM 2,350 TO 2,850 BAHT PER METRIC TON FOR RICE DELIVERED TO THE MILL, BUT DOUBTFUL THE MAJORITY OF FARMERS, WHO ARE SMALL, HAVE MUCH RICE TO SELL AT THESE HIGHER PRICES. FEAR THAT RETAIL PRICES WOULD FOLLOW SUIT, EVEN IN FIXED-PRICE SHOPS, APPARENTLY RESULTED IN PEOPLE QUEUING UP AND DEPLETING STOCKS IN GOVERNMENT OUTLETS.

3. RTG EVIDENTLY HAS IMPROVED DISTRIBUTION SYSTEM AS WELL AS INCREASED NUMBER OF FIXED-PRICE OUTLETS. SPOT CHECKS BY EMBOFF REVEALED THAT RICE IS DELIVERED DAILY TO OUTLETS IF REQUIRED AND NO LINES WERE OBSERVED. MOREOVER, GOVERNMENT OUTLET OPERATORS APPARENTLY HAVE BEGUN STRICTER ENFORCEMENT OF RATIONING SYSTEM TO PRECLUDE PERSONS PURCHASING EXCESS AMOUNTS FOR RESALE TO COMMERCIAL RETAILERS.

4. AN OFFICIAL OF THE THAI EXPORT ASSOCIATION TOLD EMBOFF THAT THERE WAS AT PRESENT SOME 140,000 METRIC TONS OF RICE AT THE RTG'S DISPOSAL FOR SALE AT THE CONTROLLED PRICE, OR ENOUGH TO MEET THE ENTIRE BANGKOK-THONBURI DEMAND FOR OVER A TWO-MONTH PERIOD. THIS RESERVE WOULD CONTINUE TO BE AUGMENTED BY REQUIREMENT ON EXPORTERS DURING PRESENT MONTH TO SELL TO RTG AT FIXED PRICE ONE UNIT FOR EVERY TWO UNITS EXPORTED, THIS PROPORTION CAN BE ADJUSTED AS RTG DETERMINES. THE EXPORT CEILING FOR MARCH IS 100,000 METRIC TONS, WHICH WOULD RESULT IN 50,000 METRIC TONS BEING MADE AVAILABLE TO RTG RESERVE STOCK AT THE PRESENTLY LOW PRICE OF 2,000 BAHT PER TON. GOVERNMENT HAS ALSO ANNOUNCED THAT NO NEW EXPORT CONTRACTS WILL BE PERMITTED FOR TIME BEING WITHOUT ADVANCE APPROVAL.

5. THAI EXPORT ASSOCIATION OFFICIAL ALSO COMMENTED THAT HE THOUGHT THE RTG EVENTUALLY WOULD HAVE TO INCREASE RETAIL PRICE OF GOVERNMENT RICE IN ORDER TO REDUCE DEMAND BY MAKING IT MORE COMPETITIVE WITH COMMERCIAL SELLING PRICES. THE KEY CONCERN TO THE RTG WOULD BE THE AMOUNT OF INCREASE WHICH THE SUBSISTENCE-LEVEL PURCHASERS COULD ABSORB WITHOUT CREATING PUBLIC UNREST. (IN AUGUST 1973 THE PRICE OF GOVERNMENT-CONTROLLED RICE WAS RAISED FROM 37.5 BAHT PER 15 KILOS TO ITS PRESENT 40 BAHT LEVEL WITHOUT PUBLIC DISTURBANCE BUT PRICES GENERALLY HAVE INCREASED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BANGKO 047

E E E E E E E

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, CABINET, POLITICAL STABILITY, PRICE FIXING, EXPORT CONTROLS, FISHERMEN, LABOR STRIKES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BANGKO04737
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740061-0730
From: BANGKOK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740324/aaaaavva.tel
Line Count: 101
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: BANGKOK 4397 AND PREVIOUS
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 09 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUL 2002 by boyleja>; APPROVED <29 JUL 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RICE PROBLEM EASES
TAGS: EAGR, ECON, TH
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005